HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Sherbrooke CMA

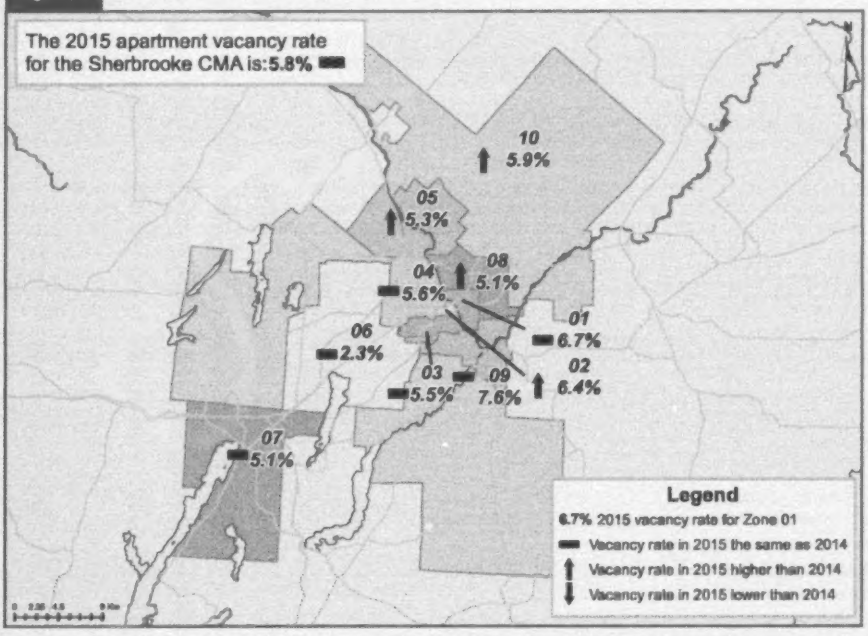
CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2015

Highlights

- The rental market situation remained stable with a vacancy rate of 5.8 per cent.
- The stable vacancy rate resulted from a moderate growth in rental housing demand, which basically matched the increase in supply.
- The average rent for two-bedroom apartments was $608.
- The estimated change in the average rent of two-bedroom apartments compared to October 2014 was 1.3 per cent.

Figure 1



[1] It should be noted that CMHC uses a measure that estimates the change in rents charged in existing structures. This measure therefore excludes the impact of new structures and conversions added to the universe between surveys. The estimated percentage change in the average rent is a measure of the market movement and is based on those structures that were common to the survey sample for both years.

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Rental market conditions remain stable

According to the results of the latest Rental Market Survey (RMS) conducted in October 2015 by Canada Mortgage and Housing Corporation (CMHC), the rental apartment vacancy rate reached 5.8 per cent in 2015 and remained stable from a statistical standpoint in the Sherbrooke census metropolitan area (CMA) for the third year in a row. In other words, the change was insignificant between 2013 and 2015. In 2012, the proportion of vacant rental units stood at 5 per cent. Moreover, the vacancy rates for the various unit types did not change statistically compared to the 2014 survey.

In 2015, the stability of the vacancy rate was the result of a rise in rental housing demand that was basically equal to the increase in supply between the October 2014 and October 2015 surveys. Nonetheless, the growth in demand was weak. Employment gains among young people aged from 15 to 24 more than made up for the drop in student enrolment. The movement to homeownership matched the one recorded in 2014. Meanwhile, the supply of rental units also rose at a moderate rate.

The vacancy rate went up in four of the ten sectors of the CMA: the central district, Brompton, Fleurimont and the remainder of the CMA. However, the softening in these sectors was not enough to drive up the vacancy rate to any significant degree across the CMA.

The rental apartment availability rate of 5.9 per cent was comparable to the vacancy rate in the Sherbrooke CMA (5.8 per cent). It should be recalled that a rental unit is considered available if the unit is vacant, or if the existing tenant has given, or received, notice to move, and a new tenant has not signed a lease. The availability rate in October 2015 therefore means that, in the short term, few renters were planning, or having, to move from their current units after receiving a notice to this effect from their landlord, either to find another or to access homeownership. It should be mentioned, however, that the fall season is not a time of year when many tenants typically move in Quebec.

Given that the vacancy rate is relatively high since 2012, average rents have not risen significantly. The estimated change[2] in the average rents was 1.1 per cent between the October 2014 and October 2015 surveys in the Sherbrooke CMA.

Some sectors saw an increase in their vacancy rate

This year, the vacancy rate trended up in four zones under review.

In the central district, which accounts for 7 per cent of rental units in the CMA, the vacancy rate climbed from 4.7 per cent to 6.4 per cent and is now high. This may be attributable to a slide in demand at a time when supply did not rise significantly. Another factor that may explain the decrease in demand is the fact that the housing stock in this district is the oldest among the sectors in the CMA, with 81 per cent of rental units built before 1940.

Figure 2

Source: CMHC

[2] The estimate is based on structures that were common to the survey samples from both these surveys. However, some composition effects still remain (some factors such as rental units renovated/upgraded or changing tenants are not measured, because the survey does not collect data to such level of details).

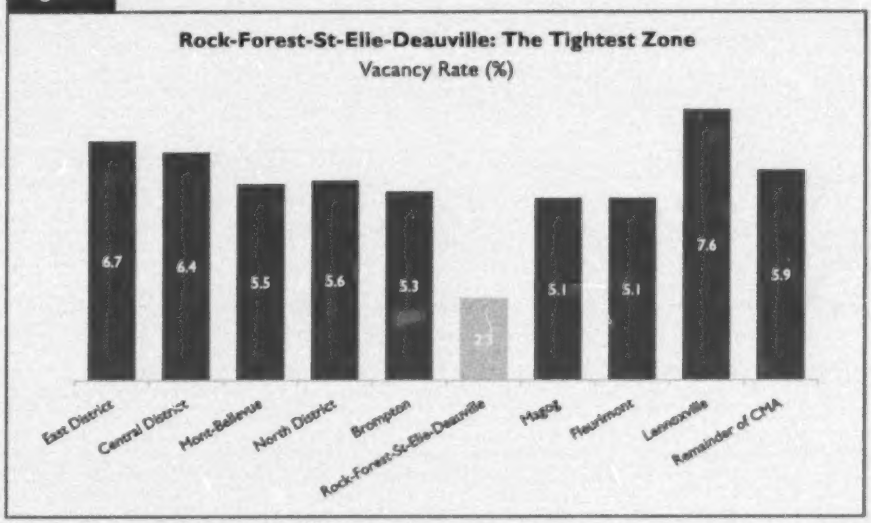
Then the proportion of vacant rental units also rose in Fleurimont, a sector which accounts for 6 per cent of rental units in the CMA. The vacancy rate climbed from 3.3 per cent to 5.1 per cent, spurred on by the rise in vacant two-bedroom apartments. New apartments were added to the housing stock in this sector, thereby exerting upward pressure on the vacancy rate.

The vacancy rate also increased from 4.3 per cent to 5.3 per cent in Brompton and from 3.8 per cent to 5.9 per cent in the remainder of the CMA. The rental market in these sectors represents about 1 per cent of the overall market of the CMA.

The vacancy rates of Rock-Forest-St-Élie-Deauville stood out once again this year, posting the lowest rate (2.3 per cent) in the CMA. The apartments in this zone are few (7 per cent of the rental universe in the CMA) and relatively new (40 per cent of the rental stock was built after 2000, which represents the largest proportion among all the sectors in the CMA), which explains the tighter market conditions in this zone. It should be recalled that the vacancy rates for newer structures are generally lower. For structures built in 1990 or later, the vacancy rate reached slightly over 3 per cent—whereas the corresponding figure for "older" buildings hovered between 5.7 per cent and 7.6 per cent.

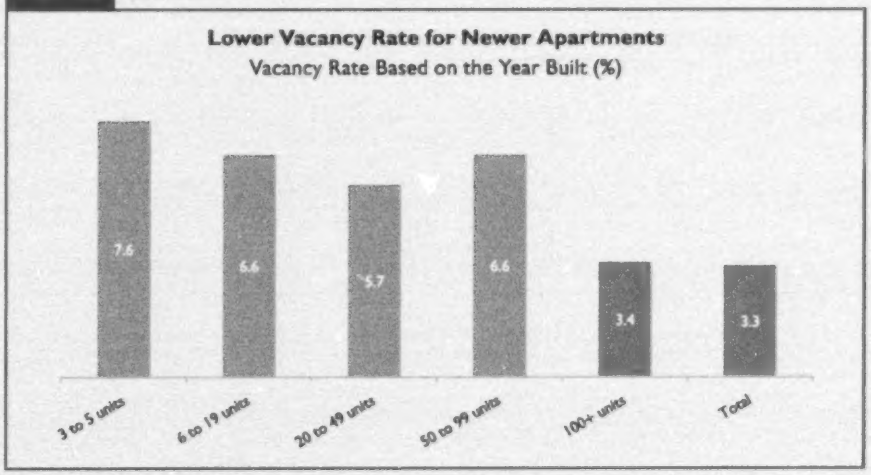
The rates in other sectors varied between 5.1 per cent (Magog and Fleurimont) and 7.6 per cent (Lennoxville).

Figure 3



Source: CMHC

Figure 4



Source: CMHC

Rents continue to rise at a very low rate

As previously mentioned, the estimated change in the average rent for two-bedroom apartments was limited (1.3 per cent), a situation which, coupled with the current choice of available units, is favourable to tenants.

In the survey zones, the northern district stood out by the stability of rents for apartments that were also part of the October 2014 survey sample. The other zones saw their average rents rise slightly. The estimated change ranged between 0.9 per cent and 2.3 per cent.

An analysis of the data revealed that the most affordable zones for renting two-bedroom apartments were the central district ($556), Brompton ($557) and Mont-Bellevue ($568). The relatively low rents may be attributable to the fact that the housing stock in these zones is the oldest. The survey results showed that the older the apartments, the cheaper the rents. In fact, the average rents of two-bedroom units built

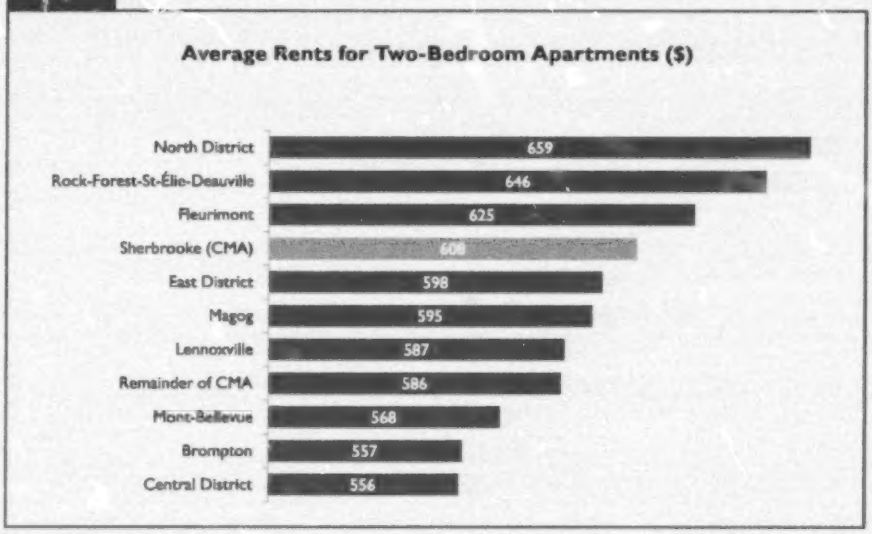
before 1990 varied between $534 and $588, whereas the corresponding figure for those constructed in 1990 or after ranged from $652 to $807.

The highest average rents charged for two-bedroom units were in the northern district ($659), Rock-Forest-St-Élie-Deauville ($646) and Fleurimont ($625). It is also in these three zones that the construction of new units, which generally bring in higher rents, has also been the strongest since 2000.

Supply and demand both under slight pressure

Several factors—on both the supply and demand sides—had an impact on the rental market in the last year. In terms of demand, the stronger employment growth among young people aged from 15 to 24 was the main driving force behind the rise in rental housing demand. More young people were working full-time jobs at the time of this year's survey, compared to the late summer of 2014. These gains can be traced, in part, to the local economic situation that benefitted from the weak Canadian dollar and the accelerating economic growth in the United States. This, in turn, created jobs in the manufacturing and tourism sectors. A review of the first seven months of the year recently published by Tourism Eastern Townships indicated that 2015 was an exceptional year in terms of accommodation statistics compiled by the Institut de la statistique du Québec.[3] Moreover, the tourism industry is usually a major employer of young people.

Figure 5



Source: CMHC

Factors that halted the growth in rental housing demand included slightly smaller student enrolment in the CMA in 2015. The number of students on the main campus of the Université de Sherbrooke (UdeS)[4], the health campus of the UdeS and Bishop's University was down by close to 120 in the region.

This, of course, had an effect on net migration, since a substantial proportion of students come from outside the Sherbrooke CMA (85 per cent in the case of UdeS). Net migration figures are not yet available for 2015, but the region saw a decline in net migration of 1,750 people in 2014. This situation should improve in 2015 as a result of economic conditions and the requirements for qualified labour. It should also be added that the region took in a certain number of refugees recently and should welcome more in the coming months. Most of them will live in rental units.

As for the movement to homeownership, Centris® transactions and the absorption of new properties between the October 2014 and October 2015 surveys indicated that this movement remained stable. In other words, we estimate that the number of first-time buyers was similar from one survey to the next.

All things considered, the combination of these factors likely resulted in a slight increase in rental housing demand from the October 2014 survey.

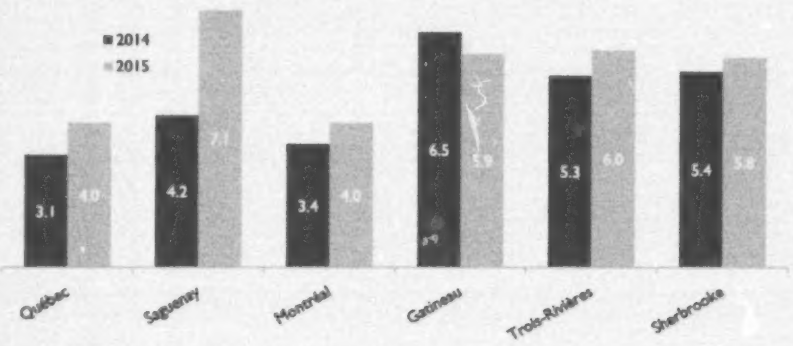
Growth in supply, for its part, moderated when compared to the results of the October 2014 survey. In fact, the number of completed rental units (excluding seniors' residences) decreased from 400 units in October 2014 to 250 units in October 2015.

[3] According to a press release issued on August 31 by Tourism Eastern Townships, 2015 is on its way to become the best year since the financial crisis of 2008-2009.
[4] Based on statistics by home campus published by the Office of the Registrar on the Université de Sherbrooke website.

Figure 6

Tightest Market Found in Montréal and Québec CMAs

Vacancy Rate (%)



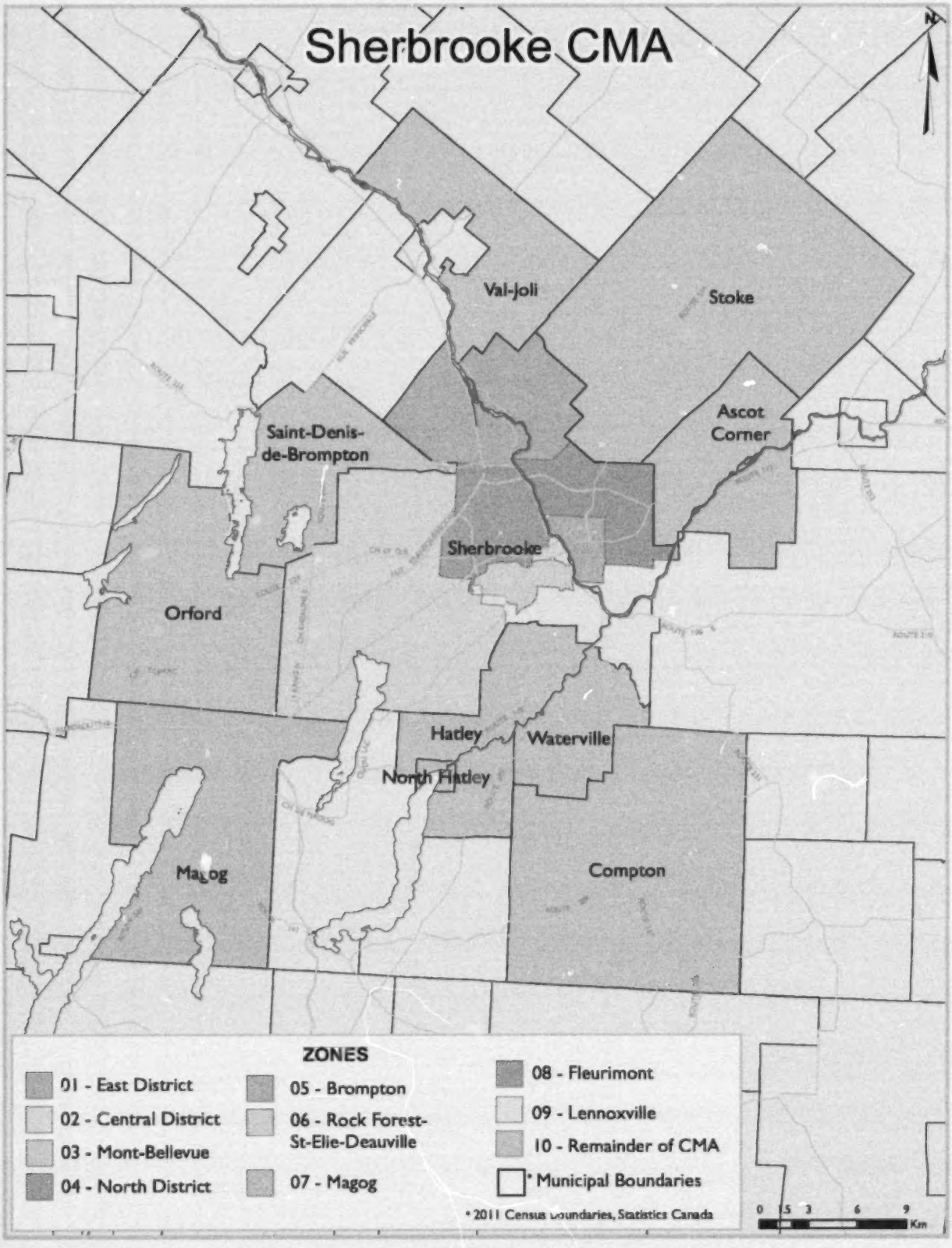
Source: CMHC

Overall, the rental market did not change much this year in the Sherbrooke CMA. Supply and demand rose at a similar pace, albeit a moderate one, which meant that the vacancy rate remained unchanged from a statistical standpoint. This situation also characterized the Trois-Rivières and Gatineau rental markets.

However, such was not the case for all of the other CMAs in Quebec. The rental market softened in Québec, Montréal and Saguenay. The Saguenay, Trois-Rivières and Sherbrooke CMAs and the Gatineau area had the largest proportions of vacant rental units. The market conditions remained the tightest in the Québec and Montréal CMAs.

Apartment Vacancy Rates (%) by Major Centres

	Oct. 2014	Oct. 2015
Abbotsford-Mission	3.1	0.8
Barrie	1.6	1.3
Brantford	2.4	2.5
Calgary	1.4	5.3
Edmonton	1.7	4.2
Gatineau	6.5	5.9
Greater Sudbury	4.2	3.5
Guelph	1.2	1.2
Halifax	3.8	3.4
Hamilton	2.2	3.4
Kelowna	1.0	0.7
Kingston	1.9	2.8
Kitchener-Cambridge-Waterloo	2.3	2.4
London	2.9	2.9
Moncton	8.7	7.4
Montréal	3.4	4.0
Oshawa	1.8	1.7
Ottawa	2.6	3.4
Peterborough	2.9	3.7
Québec	3.1	4.0
Regina	3.0	5.4
Saguenay	4.2	7.1
Saint John	9.0	8.5
Saskatoon	3.4	6.5
Sherbrooke	5.4	5.8
St. Catharines-Niagara	3.6	2.8
St. John's	4.6	4.7
Thunder Bay	2.3	4.6
Toronto	1.6	1.6
Trois-Rivières	5.3	6.0
Vancouver	1.0	0.8
Victoria	1.5	0.6
Windsor	4.3	3.9
Winnipeg	2.5	2.9
Total	**2.8**	**3.3**


Sherbrooke CMA
N
Val-Joli
Stoke
Ascot Corner
Saint-Denis-de-Brompton
Sherbrooke
Orford
Hatley
Waterville
North Hatley
Magog
Compton
ZONES
01 - East District
02 - Central District
03 - Mont-Bellevue
04 - North District
05 - Brompton
06 - Rock Forest-St-Elie-Deauville
07 - Magog
08 - Fleurimont
09 - Lennoxville
10 - Remainder of CMA
* Municipal Boundaries
* 2011 Census boundaries, Statistics Canada
0 1.5 3 6 9
Km

RMS ZONE DESCRIPTIONS - SHERBROOKE CMA	
Zone 1	**East District** - North: City Limits; South: City Limits; East: City Limits; West: St-François River.
Zone 2	**Central District** - North: St-François River; South: Galt West and Wellington; East: St-François River; West: Belvedère and Queen North.
Zone 3	**Mont-Bellevue** - North: Magog River and Galt West; South: City Limits; East: Wellington South; West: Magog River.
Zone 4	**North District** - North: City Limits; South: Magog River; East: St-François River and Queen North.
Zones 1-4	**Sherbrooke City (before the merger)**
Zone 5	**Brompton**
Zone 6	**Rock-Forest-St-Elie-Deauville**
Zone 7	**Magog**
Zone 8	**Fleurimont**
Zone 9	**Lennoxville**
Zone 10	**Reminder of CMA**
Zones 1-10	**Sherbrooke CMA**

RENTAL MARKET REPORT TABLES

Available in ALL Rental Market Reports

Private Apartment Data:

1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
1.1.2 Average Rents ($) by Zone and Bedroom Type
1.1.3 Number of Units in the Universe by Zone and Bedroom Type
1.1.4 Availability Rates (%) by Zone and Bedroom Type
1.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
1.2.2 Average Rents ($) by Year of Construction and Bedroom Type
1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
1.3.2 Average Rents ($) by Structure Size and Bedroom Type
1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Apartment Data:

1.3.3 Vacancy Rates (%) by Structure Size and Zone

Private Row (Townhouse) Data:

2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
2.1.2 Average Rents ($) by Zone and Bedroom Type
2.1.3 Number of Units in the Universe by Zone and Bedroom Type
2.1.4 Availability Rates (%) by Zone and Bedroom Type
2.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
3.1.2 Average Rents ($) by Zone and Bedroom Type
3.1.3 Number of Units in the Universe by Zone and Bedroom Type
3.1.4 Availability Rates (%) by Zone and Bedroom Type
3.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type

Available in the Quebec, Montreal, Gatineau, Ottawa, Toronto, Hamilton, Kitchener-Cambridge-Waterloo, London, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Kelowna, Vancouver and Victoria Reports

Rental Condominium Apartment Data

4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents ($) by Bedroom Type
4.1.3 Rental Condominium Apartments - Average Rents ($) by Bedroom Type
4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Project Size

Available in the St. John's, Halifax, Quebec, Montreal, Ottawa, Barrie, Toronto, Hamilton, St. Catharine's, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Kelowna, Abbotsford, Vancouver and Victoria Reports

Secondary Rented Unit Data

5.1 Secondary Rented Unit Average Rents ($) by Dwelling Type
5.2 Estimated Number of Households in Other Secondary Rented Units by Dwelling Type

1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Zone 1 - East District	7.1	**	4.6	4.6	6.5	7.4	4.5	**	5.7	6.7
Zone 2 - Central District	5.3	5.5	3.3	5.4	**	8.6	**	**	4.7	6.4
Zone 3 - Mont-Bellevue	4.5	3.4	3.9	7.5	5.5	4.9	5.8	5.7	5.1	5.5
Zone 4 - North District	7.3	7.2	4.0	2.9	7.0	5.9	6.3	**	6.3	5.6
Sherbrooke City (before the merger)	5.8	6.4	4.1	5.2	6.4	6.4	5.5	5.9	5.6	6.0
Zone 5 - Brompton	26.9	9.7	6.6	4.3	3.3	4.0	2.3	7.9	4.3	5.3
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	2.3	1.3	2.6	2.1	**	3.0	2.5	2.3
Zone 7 - Magog	6.5	8.5	5.9	6.6	4.4	4.0	4.3	5.5	4.7	5.1
Zone 8 - Fleurimont	**	0.0	3.8	3.0	2.3	5.6	4.2	5.7	3.3	5.1
Zone 9 - Lennoxville	6.1	**	5.1	4.3	9.3	8.9	7.6	9.6	7.8	7.6
Zone 10 - Remainder of CMA	-	-	6.6	6.1	4.7	10.1	0.0	0.0	3.8	5.9
Sherbrooke CMA	**6.0**	**6.3**	**4.2**	**4.9**	**5.9**	**6.0**	**5.1**	**5.9**	**5.4**	**5.8**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

1.1.2 Private Apartment Average Rents ($) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Zone 1 - East District	374	373	468	466	582	598	698	700	558	561
Zone 2 - Central District	375	413	453	457	551	556	717	703	502	515
Zone 3 - Mont-Bellevue	416	420	460	469	564	568	696	691	553	550
Zone 4 - North District	439	438	570	561	671	659	767	769	664	657
Sherbrooke City (before the merger)	400	412	487	485	605	607	724	726	583	581
Zone 5 - Brompton	372	382	427	427	546	557	644	647	549	559
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	486	496	641	646	738	761	643	656
Zone 7 - Magog	383	372	445	441	587	595	704	713	575	579
Zone 8 - Fleurimont	515	581	527	522	628	625	771	764	650	651
Zone 9 - Lennoxville	408	431	485	503	577	587	727	780	574	593
Zone 10 - Remainder of CMA	-	-	417	463	560	586	697	678	576	603
Sherbrooke CMA	**404**	**413**	**485**	**486**	**604**	**608**	**727**	**735**	**590**	**592**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
- No units exist in the universe for this category n/a: Not applicable

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

1.1.3 Number of Private Apartment Units in the Universe by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Zone 1 - East District	405	409	1,895	1,854	3,780	3,859	945	918	7,025	7,040
Zone 2 - Central District	400	407	848	873	735	738	311	391	2,294	2,409
Zone 3 - Mont-Bellevue	761	773	1,513	1,538	3,190	3,242	1,057	1,063	6,521	6,616
Zone 4 - North District	390	393	1,239	1,205	3,795	3,744	1,447	1,453	6,871	6,795
Sherbrooke City (before the merger)	1,956	1,982	5,495	5,470	11,500	11,583	3,760	3,825	22,711	22,860
Zone 5 - Brompton	11	10	48	48	189	181	86	95	334	334
Zone 6 - Rock-Forest-St-Elie-Deauville	11	8	296	304	1,509	1,511	657	681	2,473	2,504
Zone 7 - Magog	115	110	395	401	1,253	1,251	473	475	2,236	2,237
Zone 8 - Fleurimont	76	70	259	273	1,082	1,105	591	637	2,008	2,085
Zone 9 - Lennoxville	91	91	999	1,007	1,907	1,908	615	624	3,612	3,630
Zone 10 - Remainder of CMA	0	0	15	16	70	75	26	39	111	130
Sherbrooke CMA	**2,260**	**2,271**	**7,507**	**7,519**	**17,510**	**17,614**	**6,208**	**6,376**	**33,485**	**33,780**

** Data suppressed to protect confidentiality or data not statistically reliable.
- No units exist in the universe for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Zone 1 - East District	8.0	**	5.1	4.6	6.7	7.5	4.5	**	6.0	6.8
Zone 2 - Central District	5.8	5.5	3.8	6.4	**	8.6	**	**	5.0	6.8
Zone 3 - Mont-Bellevue	4.5	3.5	4.0	7.6	5.5	4.9	5.8	5.7	5.1	5.6
Zone 4 - North District	7.3	7.2	4.0	2.9	7.0	6.0	6.3	**	6.3	5.7
Sherbrooke City (before the merger)	6.1	6.5	4.3	5.4	6.5	6.4	5.5	6.0	5.7	6.1
Zone 5 - Brompton	26.9	9.7	6.6	4.3	3.8	4.0	2.3	7.9	4.6	5.3
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	2.3	1.3	2.6	2.1	**	3.0	2.5	2.3
Zone 7 - Magog	6.5	9.4	6.2	6.6	4.9	4.5	4.3	6.6	5.1	5.6
Zone 8 - Fleurimont	**	0.0	3.8	3.0	2.3	5.7	4.2	**	3.3	6.0
Zone 9 - Lennoxville	6.1	**	5.1	4.3	9.3	9.0	7.6	9.6	7.8	7.7
Zone 10 - Remainder of CMA	-	-	6.6	6.1	4.7	10.1	0.0	0.0	3.8	5.9
Sherbrooke CMA	**6.3**	**6.4**	**4.4**	**5.0**	**6.0**	**6.1**	**5.1**	**6.3**	**5.5**	**5.9**

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↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Bedroom Type Sherbrooke CMA

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15
Zone 1 - East District	**	++	2.0	++	1.9	1.6	++	1.1	1.4	0.9
Zone 2 - Central District	++	5.6	++	++	++	++	**	++	++	**
Zone 3 - Mont-Bellevue	2.3	++	1.0	1.6	2.1	0.7	++	++	1.3	1.0
Zone 4 - North District	++	++	3.3	++	1.9	1.3	++	1.3	2.0	++
Sherbrooke City (before the merger)	1.6	1.1	1.7	0.8	1.8	1.2	++	0.8	1.5	0.9
Zone 5 - Brompton	2.9	1.7	4.4	++	++	1.3	++	++	++	1.4
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	++	1.7	**	1.4	1.3	++	1.3	1.0
Zone 7 - Magog	4.5	**	++	2.4	2.5	0.9	2.3	1.5	1.9	1.3
Zone 8 - Fleurimont	2.5	**	++	3.3	++	2.6	-1.2	2.6	++	2.3
Zone 9 - Lennoxville	++	++	0.5	2.6	1.2	1.6	++	++	0.8	1.5
Zone 10 - Remainder of CMA	-	-	**	**	1.3	1.5	-3.0	++	++	2.0
Sherbrooke CMA	**1.9**	**1.1**	**1.4**	**1.3**	**1.7**	**1.3**	**++**	**0.8**	**1.3**	**1.1**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- No units exist in the universe for this category n/a: Not applicable

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

1.2.1 Private Apartment Vacancy Rates (%) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Sherbrooke CMA										
Pre 1940	**	**	5.4	**	**	7.9	5.4	**	6.2	7.6
1940 - 1959	**	**	2.1	5.9	5.9	**	**	2.8	4.0	6.6
1960 - 1974	7.1	9.0	4.0	5.4	6.6	5.1	8.7	5.2	6.3	5.7
1975 - 1989	4.2	2.5	5.0	3.5	7.3	7.7	6.8	8.6	6.5	6.6
1990 - 2004	6.2	3.4	**	2.1	1.6	2.8	**	5.0	2.1	3.4
2005+	**	**	2.4	3.3	5.0	3.8	2.2	2.7	3.6	3.3
Total	6.0	6.3	4.2	4.9	5.9	6.0	5.1	5.9	5.4	5.8

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

1.2.2 Private Apartment Average Rents ($) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Sherbrooke CMA										
Pre 1940	372	391	432	442	521	534	679	689	514	528
1940 - 1959	391	390	434	446	529	535	712	659	519	507
1960 - 1974	401	406	484	479	566	582	672	700	550	559
1975 - 1989	421	431	488	498	586	588	691	693	571	575
1990 - 2004	442	424	568	548	665	652	772	766	681	675
2005+	478	498	663	639	785	807	857	881	788	802
Total	404	413	485	486	604	608	727	735	590	592

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
- No units exist in the universe for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Sherbrooke CMA										
3 to 5 Units	**	**	**	**	3.0	4.3	3.1	5.2	3.0	4.9
6 to 19 Units	7.5	5.8	4.1	4.7	6.0	5.3	5.3	5.4	5.6	5.2
20 to 49 Units	6.0	4.8	5.0	4.5	8.7	8.4	12.5	10.8	7.7	7.1
50 to 99 Units	6.5	14.7	4.9	3.9	7.4	8.3	2.7	1.7	6.1	7.7
100+ Units	2.1	2.8	3.1	4.1	2.1	**	0.8	**	2.1	6.7
Total	6.0	6.3	4.2	4.9	5.9	6.0	5.1	5.9	5.4	5.8

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology or Data Reliability Tables Appendix link for more details

1.3.2 Private Apartment Average Rents ($) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Sherbrooke CMA										
3 to 5 Units	374	378	427	444	589	597	732	745	606	618
6 to 19 Units	383	391	471	473	590	598	722	730	576	580
20 to 49 Units	422	433	504	501	617	615	702	705	576	574
50 to 99 Units	427	417	557	551	666	629	770	713	613	586
100+ Units	468	486	720	747	943	**	836	**	754	768
Total	404	413	485	486	604	608	727	735	590	592

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \le cv \le 2.5$), b- Very good ($2.5 < cv \le 5$), c - Good ($5 < cv \le 7.5$), d - Fair (Use with Caution) ($7.5 < cv \le 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
- No units exist in the universe for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Sherbrooke CMA

Zone	3-5		6-19		20-49		50-99		100+	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Zone 1 - East District	**	**	7.6	7.0	6.2	6.3	9.6	**	**	-
Zone 2 - Central District	**	5.9	5.7	5.5	4.6	3.2	**	**	-	-
Zone 3 - Mont-Bellevue	4.6	**	6.3	5.2	4.9	4.8	1.4	1.9	**	**
Zone 4 - North District	**	**	4.7	4.2	10.5	9.1	6.8	7.1	**	**
Sherbrooke City (before the merger)	3.7	5.7	6.2	5.5	7.1	6.5	6.3	8.0	2.1	6.7
Zone 5 - Brompton	4.2	5.3	1.2	4.2	**	**	-	-	-	-
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	2.7	1.8	4.8	5.4	-	-	-	-
Zone 7 - Magog	2.1	4.3	7.6	6.3	4.1	2.8	-	-	-	-
Zone 8 - Fleurimont	**	**	2.7	3.9	5.9	6.8	-	-	-	-
Zone 9 - Lennoxville	2.9	5.7	4.8	5.6	11.2	9.8	**	**	-	-
Zone 10 - Remainder of CMA	**	**	0.0	**	**	**	-	-	-	-
Sherbrooke CMA	3.0	4.9	5.6	5.2	7.7	7.1	6.1	7.7	2.1	6.7

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology or Data Reliability Tables Appendix link for more details

1.4 Private Apartment Vacancy Rates (%)[1] - by Rent Range and Bedroom Type Sherbrooke CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Sherbrooke CMA										
LT $400	6.5 c	**	**	**	0.0 c	**	**	**	6.6 c	**
$400 - $499	5.3 c	3.8 c	4.5 c	4.9 c	**	**	**	**	5.0 c	5.6 c
$500 - $599	5.1 c	4.5 c	3.6 c	5.5 c	7.5 c	7.7 c	**	5.4 c	6.9 c	7.1 c
$600 - $699	**	2.6 c	2.2 c	**	4.7 c	3.9 c	7.8 c	6.9 c	5.5 c	4.9 c
$700 - $799	**	**	1.2 c	1.1 c	2.5 c	3.9 c	2.9 c	6.8 c	2.7 c	5.5 c
$800+	**	**	**	2.9 c	**	**	3.7 d	5.5 c	4.8 c	5.6 c
Total	6.0 b	6.3 c	4.2 b	4.9 c	5.9 c	6.0 c	5.1 b	5.9 c	5.4 b	5.8 c

[1]Vacancy rate by rent range when rents are known. For the Total, vacancy rates include all structures.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

Use caution when comparing changes in statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. These tables include indicators to help interpret changes. ↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the year-over-year change is a statistically significant decrease, while – indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in late summer and early fall to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS – rented single-detached homes, semi-detached (double) homes, rented freehold row/townhomes, rented duplex apartments (i.e., one-above-other), rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type), rented condominiums (can be any dwelling type but are primarily apartments), and one or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents in the following CMAs: Abbotsford, Barrie, Calgary, Edmonton, Halifax, Hamilton, Kelowna, Montréal, Ottawa, Québec, Regina, Saskatoon, St. Catharines-Niagara, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents in the following CMAs: Calgary, Edmonton, Montréal, Ottawa, Québec, Toronto, Vancouver, Victoria and Winnipeg.
- A Condominium Apartment Vacancy Survey to collect vacancy information in the following CMAs: Calgary, Edmonton, Gatineau, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the property management company or condominium (strata) board, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in late summer and early fall, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates from the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

Every year CMHC reviews the method of estimation for Household Rent Survey, which may result in some changes to previously published estimates. All statistics in this report are reflective of the new method of estimation.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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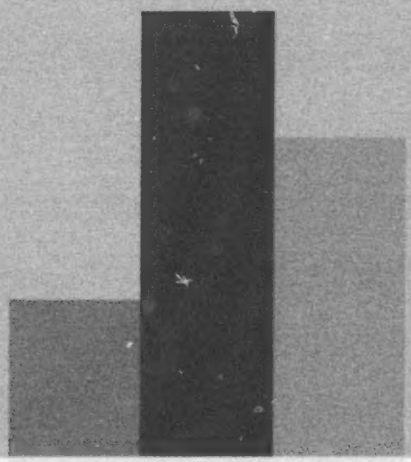

FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Condominium Owners Report
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Rental Market Provincial Highlight Reports
- Rental Market Reports, Major Centres
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- Residential Construction Digest, Prairie Centres
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